

**Pre-Planning Session
Brown Library**

The Washington City Council met in a continued session on Monday, October 30, 2006 at the Brown Library at 1:00 p.m. for a Pre-Planning Session. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; James Smith, City Manager; and Rita A. Thompson, City Clerk. City Attorney Franz Holscher arrived at the meeting later and is made a part of the minutes. Councilman Gahagan was absent.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Sandy Blizzard, Acting Police Chief; Allen Lewis, Public Works Director; Julie Hicks, Library Director; Philip Mobley, Parks & Recreation Director; Keith Hardt, Electric Director; Lynn Lewis, Tourism Director; Susan Hodges, Human Resources Director; Greg Allinson, Facilitator; Mike Voss, of the Washington Daily News; and Leanne Smith, of the Beaufort Observer.

Mayor Jennette called the meeting to order and Councilman Gibson delivered the invocation.

AMENDMENTS TO AGENDA

Councilman Gibson requested that four items be added: (1) sale of Hamilton Beach property (2) auctioning of other City property (3) merging of Fire and Police Departments, and (4) EDC – more insight and other municipalities sharing expenses. Council agreed to fit the items in when Councilman Gahagan arrives.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously approved the agenda, as amended.

PRESENTATION OF DRAFT REPORT OF 05-06 CITY AUDIT

Mr. Bryan Starnes, of Martin, Starnes & Associates, CPA's, P.A., presented a power point presentation on the City of Washington's 05-06 Audit:

Audit Highlights

Unqualified opinion
No findings or questioned costs
No material internal control weakness identified
Cooperative staff

General Fund Summary

2005

Revenues \$ 9,940,518
Expenditures \$10,611,772

2006

Revenues \$10,516,785
Expenditures \$11,208,756

Fund balance

- Serves as a measure of the City's financial resources available

Assets – Liabilities = Fund Balance

- 3 Classifications
Reserved
Unreserved Designated (Available)
Unreserved Undesignated (Available)

Note – City had 29% fund balance this year – 8% minimum required by LGC, three months supply to carry the City in case of an emergency.

**Fund Balance Position
General Fund**

	2006	2005
Total Fund Balance	\$6,879,970	\$5,935,300
Required Reservations	-2,631,172	-2,693,478
Council Designation	<u>-1,027,008</u>	<u>-1,680,846</u>
Unreserved Undesignated	\$3,221,790	\$1,560,976

Top 3 Revenues: General Fund

Sales Tax	20%
Garbage Collection	8%
Other Revenue	40%
Property Tax	32%

Other Revenues:

Other Taxes
Intergovernmental
Other Licenses
Permits & Fees
Sales & Services
Misc. Revenue

Top 3 Comprise \$6,219,579 (60%) of Revenues

Property Tax

2005	\$3,270,569
2006	\$3,321,373

Sales Tax

2005	\$1,950,844
2006	\$2,054,864

Investment Earnings

2005	\$ 144,649
2006	\$ 282,484

3 Top Expenditures:

General Fund

Environmental Protection	22%
Public Safety	48%
Cultural & Recreational	21%
Other Expenditures	20%

Total Expenditures \$11,208,756

General Government

2005	\$1,488,026
2006	\$1,137,149

Public Safety

2005	\$4,301,791
2006	\$5,378,605

Environmental Protection

2005	\$1,346,885
2006	\$1,187,852

Cultural and Recreation

2005	\$2,267,381
2006	\$2,346,276

STRATEGIC LEADERSHIP ISSUES

- **Short review of strategic leadership**

Gregg Allinson, Chair of Beaufort Community College's Allied Health Division, facilitated the Council in strategic leadership issues. We will look at key points, have an opportunity to paint the big picture, and frame an agenda for the future. Council should look at what has been done in the past, what has worked and not worked. The objective is to capture the dreams and ambitions of where the City wants to go; that the real benefit is not the plan, but the process.

Mr. Allison asked Council to rank the topics they felt were more important:

Councilman Jennings and Mayor Pro tem Woolard	-	Transportation
Councilman Brooks	-	Waterfront
Councilman Gibson	-	Annexation and selling property
Mayor Jennette	-	Keeping small town atmosphere

- **Transportation issues - growth and control, building a relationship with our RPT, partnering with other municipalities – like Greenville**

1. Be proactive/Smart Growth/Timely
2. Highlight and communicate Comprehensive Plan to citizens (put on website)
3. Develop collaborations (Greenville Committee forming – meet with County Commissioners)
4. Put together community team (two Council members from each community - *put on November 14th agenda – Advocacy team
5. Give Planning Board jurisdiction (first of year)

- **“Small town” vs “big city” development? – How will we guide the current and upcoming growth to achieve the desired outcome? How do we make it more desirable to live IN the city limits – rather than a half mile out? How do we get all of the disparate groups; DWOV, the chamber, the merchants, the EDC, etc. to work hand in hand on City developments?**

1. What are best practices from coastal towns?
2. Monitoring process (February Council meeting)
3. Growth is inevitable. It should be balanced and moderate.
4. Find out what community wants.
5. Who articulates this vision? (touchy/feely)

- **Annexation – Is more really better – How do we annex smarter?**

1. Fill in gaps and improve process before further annexation
2. Logical area study
3. Developing jurisdiction/service districts
4. How and when to start process?

- **Sale of Hamilton Beach Property**

Councilman Gibson stated that the sale of the Hamilton Beach property is the most urgent issue that confronts us. We need to sell the property whether we get reimbursed by Hamilton Beach not. Mr. Smith pointed out that when we sell it, we will be losing the rent money and the revenue will be lump sum. Councilman Jennings stated that jobs should be preserved with a sale. Mr. Smith stated it is deteriorating and we need to unload it in a way to save jobs. Councilman Gibson wanted to get another appraisal and assign it to a real estate agent to sell at a negotiated price (not in favor of Committee of 100 buying it). Mr. Smith stated that (1)

get an updated appraisal (2) make a claim against Hamilton Beach (Fred is setting up a meeting with their attorney, and (3) contamination (environmental aspect).

It was Council consensus to wait for the appraisal to be update.

- **Auction of Property**

Mr. Holscher explained that the John Small School property has to be straightened out before the property can be auctioned off. The City paid to demolish the building in return for getting ten lots. The property purchase was made in the name of a corporation. When the ten lots were deeded to the City, they were by individuals, not the name of the corporation. Fred Holscher has been pressing to get the corporation reinstated, or transfer from individuals to the City. There is some movement to get the corporation reinstated. (Council indicated that the City should not pay for this.)

- **EDC**

Mayor Jennette stated that the City pays more for EDC than the other municipalities. She and the Manager are talking with Tom Thompson, Paul Spruill and Jay McRoy to decide how to fund EDC and DWOW for next year's budget. Councilman Gibson stated that it should be based on population.

Council recessed for dinner at 5:00 p.m. and reconvened at 5:45 p.m.

- **Merging of Public Safety**

Councilman Gibson stated that the Police and Fire Departments were merged into a Public Safety Department from 1996 to 1998 and we could do this now and not hire a new Police Chief. Fire Chief Jimmy Davis stated that City Manager Ed Burchins put Police Chief John Crone in charge over Public Safety. When R. L. Willoughby became Manager and Chief Crone was leaving, R.L. did not like the concept and went back to having two separate Chiefs.

Mr. Smith stated that it is successful in a few high end communities, but you still need somebody in charge at both departments. It takes about three years to cross train and equipment has to be modified. Mayor Jennette stated that we need the Police Department to reconfigure and develop new leadership and we don't need to muddy it up by blending with another department.

Mayor Pro tem Woolard stated it is something to think about. Councilman Jennings stated he hadn't heard any cost savings. Mr. Smith stated we will have a report on the internal investigation next week.

- **Our waterfront is our most valuable asset. If the county won't zone anything, should we extend our ETJ along all waterfront property within a 5, 10, whatever mile radius of the city? There is legislation to support this. Do we want or need to do this – maybe even with other towns – like Chocowinity and Washington Park?**

1. It's our #1 asset and should be protected
2. Are we ready? Enough staff?
3. Relationship with County (joint meeting in January
Library issues, E911, Parks & Rec, boat ramps, extending ETJ on all waterfront property)
4. Parks & Recreation Master Plan

- **Washington offers tremendous services and amenities for a town so small. How do we get a handle on this or parlay them into making life inside the city limits more desirable than out.**

1. It's a lifestyle issue
2. County should pay their share

3. Costs are fixed, how should we recoup to pay them?
 4. Who articulates the benefits?
- **How do we do business better – especially with our enterprise funds – and even more especially financial oversight? Do we as a Council need to meet more often – and if so – how do we handle the additional work load on the staff?**
 1. How to translate and percolate financial statement. Ongoing not easy on management
 2. Authority and scope of Department Heads
 3. Improve dialogue with City Manager
 4. Improve budgetary process
 5. Developing a biz, self supporting model

Financial Manager

Council discussed whether to hire a financial manager to handle projections on financial operations. Mr. Smith stated that we have four or five funds operating in the red, and department heads are primarily technical people, not financial people, a financial manager could look at projections. Finance Director Carol Williams stated that her projections are passed on to the Manager and it is up to the Manager to pass on the information to the Council as he is the Budget Officer.

Meetings and Minutes

Councilman Jennings suggested Council have two meetings a month, one packet with full agenda and the second being an action agenda with a limited number of items. Councilman Jennings expressed concern about having to make a decision on an issue during the same meeting. Council suggested having an information meeting with actions at the second meeting. Council will experiment in having two meetings beginning in January. Council will continue the meetings to see if it works before changing the ordinance setting up two regular meetings per month. Meetings will be the second and fourth Mondays.

Council expressed concern about the workload of staff and suggested that minutes be written with less detail. Mr. Holscher stated that all that is legally required is motions or actions. City Clerk Rita Thompson stated it would be easier, but that detailed minutes had been helpful in going back and researching items of controversy.

Conclusions

- Council wants to see a report from the Planning Department on the City's growth in the last year
- Want growth balanced and moderate
- Continue exchange between the community and leadership

CONTINUE MEETING

At 7:15 p.m., on motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously adjourned the meeting until Tuesday, November 7, 2006 at 7:00 p.m. in the Council Chambers at the Municipal Building to meet jointly with the Historic Preservation Commission.

Rita A. Thompson, CMC
City Clerk